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News Release

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FOR IMMEDIATE RELEASE

2009 Farm Production Expenditures Fell 6.4 Percent

HARRISBURG, PA, Sep 2, 2010 - - United States Total Farm Production Expenditures totaled \$287.4 billion in 2009, down from \$307.0 billion in 2008. This is the first major decline of farm expenditures since 1986. The 2009 Total Expenditures fell 6.4 percent compared to the 2008 rise of 8.3 percent. Two expense items showing increases from the previous year were; Rent, up 0.9 percent, and Seed and Plants, up 2.6 percent.

Major factors that impacted expenditures this year were general economic conditions and the price of crude oil. The sharp decline in petroleum prices was a major factor affecting Total Expenditures. Fuels, down 22.5 percent from previous year, had the largest decrease of any capital or non-capital expense. The decreasing cost of crude oil also contributed to the drop of Fertilizer and Agricultural Chemicals in 2009.

Total Fuels Expense was \$12.4 billion. Diesel, the largest sub-component, was \$7.2 billion accounting for 58.2 percent of the total Fuels Expense. Diesel expenditures were down 26.8 percent in 2009. Gasoline was \$2.4 billion, down 19.3 percent. LP Gas was \$2.0 billion, down 3.9 percent. Other Fuels were \$0.8 billion, down 27.3 percent.

The four largest expenditures at the United States level totaled \$136.1 billion and accounted for 47.4 percent of Total Expenditures in 2009. They were Feed, 15.7 percent; Farm Services, 12.7 percent; Labor, 10.0 percent; and Livestock and Poultry Purchases, 9.0 percent.

In 2009, the United States Total Farm Expenditure average per farm was \$131,137 compared with \$140,075 in 2008, a decrease of 6.4 percent. On average, United States farm operations spent: \$20,533 on Feed, \$16,609 on Farm Services, \$13,141 on Labor, \$11,818 on Livestock and Poultry Purchases, \$9,171 on Fertilizer, Lime, and Soil Conditioners, and \$10,312 on Rent. For 2008, United States farms spent an average of: \$21,398 on Feed, \$17,337 on Farm Services, \$12,912 on Livestock and Poultry Purchases, \$13,550 on Labor, and \$10,220 on Rent.

Total Expenditures by Region were down for all five regions in 2009. The Atlantic had the largest decrease at 8.7 percent, followed by the Plains down 8.4 percent. Total Expenditures for the South decreased 7.8 percent; the West decreased 6.1 percent; and the Midwest decreased only 3.5 percent.

The Midwest region contributed the most to United States Total Expenditures with expenses of \$88.2 billion (30.7 percent), down from \$91.4 billion in 2008. The other regions ranked by Total Expenditures are: Plains at \$68.0 billion (23.7 percent); West at \$64.6 billion (22.5 percent); Atlantic at \$35.5 billion (12.4 percent); and South at \$31.1 billion (10.8 percent).

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**Farm Production Expenditures: Major Input Items, Average per Farm,
and Total, Atlantic Region¹⁴ & U.S.¹, 2008-2009**

Expenditure	Farms Responding ¹¹		Average Per Farm ¹²		Total Expenditures	
	2008	2009	2008	2009	2008	2009
	<i>Percent</i>		<i>Dollars</i>		<i>Million Dollars</i>	
Atlantic¹³						
Livestock, Poultry & Related Expenses ³	25.5	24.9	6,870	6,828	3,060	3,040
Feed	64.5	62.7	18,522	15,789	8,250	7,030
Farm Services ⁴	95.9	94.5	10,776	10,062	4,800	4,480
Rent ⁵	19.6	22.7	2,514	2,471	1,120	1,100
Agricultural Chemicals ⁶	39.3	40.4	2,178	2,426	970	1,080
Fertilizer, Lime & Soil Conditioners ⁶	57.3	51.2	4,692	3,998	2,090	1,780
Interest	31.9	30.7	3,345	2,875	1,490	1,280
Taxes	100	99.9	3,974	3,481	1,770	1,550
Labor	26.8	27.1	9,227	8,827	4,110	3,930
Fuels	91.3	86.7	4,445	3,549	1,980	1,580
Farm Supplies & Repairs ⁷	89.7	86.6	4,894	5,143	2,180	2,290
Farm Improvements & Construction ⁸	56.5	52.6	5,882	5,705	2,620	2,540
Tractors & Self-Propelled Farm Machinery	17.1	15.6	3,031	2,471	1,350	1,100
Other Farm Machinery	23.4	17.2	1,751	1,235	780	500
Seeds & Plants ⁹	44.6	40.1	3,817	3,593	1,700	1,600
Trucks & Autos	16.5	15.4	1,302	1,235	580	550
Miscellaneous Capital Expenses ¹¹	6.5	6.2	67	67	30	30
Total Farm Production Expenditures ²	100.0	100.0	87,288	79,753	38,880	35,510
United States¹						
Livestock, Poultry & Related Expenses ³	25.9	25.1	12,912	11,818	28,300	25,900
Feed	59.4	56.9	21,398	20,533	46,900	45,000
Farm Services ⁴	93.3	92.8	17,337	16,609	38,000	36,400
Rent ⁵	28.2	29.3	10,220	10,312	22,400	22,600
Agricultural Chemicals ⁶	45.7	44.8	5,338	5,247	11,700	11,500
Fertilizer, Lime & Soil Conditioners ⁶	51.0	47.8	10,265	9,171	22,500	20,100
Interest	38.1	36.2	5,475	5,019	12,000	11,000
Taxes (Real Estate & Property)	99.7	99.6	4,882	4,745	10,700	10,400
Labor	30.8	28.8	13,550	13,141	29,700	28,800
Fuels	85.1	82.5	7,300	5,658	16,000	12,400
Farm Supplies & Repairs ⁷	82.7	81.0	7,254	7,072	15,900	15,500
Farm Improvements & Construction ⁸	55.7	53.9	7,209	6,434	15,800	14,100
Tractors & Self-Propelled Farm Machinery	22.9	21.2	5,201	4,243	11,400	9,300
Other Farm Machinery	25.4	22.7	2,696	2,145	5,900	4,700
Seeds & Plants ⁹	41.1	38.2	6,889	7,072	15,100	15,500
Trucks & Autos	23.0	21.2	2,053	1,825	4,500	4,000
Miscellaneous Capital Expenses	13.1	13.3	100	91	220	200
Total Farm Production Expenditures ²	100.0	100.0	140,075	131,137	307,020	287,400

¹ Excludes AK and HI. ² Includes landlord and contractor share of farm production expenses. Totals may not add due to rounding. ³ Includes purchases and leasing of livestock and poultry. ⁴ Includes all crop custom work, veterinary custom services, transportation costs, marketing charges, insurance, leasing of machinery and equipment, general and miscellaneous business expenses, and utilities. ⁵ Includes public and private grazing fees. ⁶ Includes material and application costs. ⁷ Includes bedding and litter, marketing containers, power farm shop equipment, miscellaneous non-capital equipment and supplies, repairs and maintenance of livestock and poultry equipment, and capital equipment for livestock and poultry. ⁸ Includes all expenditures related to new construction or repairs of buildings, fences, operator dwelling (if dwelling is owned by operation), and any improvements to physical structures of land. ⁹ Excludes bedding plants, nursery stock, and seed purchased for resale. Includes seed treatment. ¹¹ Number of farms reporting item divided by total number of farms. ¹² Total expenditures divided by total number of farms. Items may not sum to total due to rounding. ¹³ Atlantic Region consists of CT, DE, KY, ME, MD, MA, NH, NJ, NY, NC, PA, RI, TN, VA, VT, WV.